

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT AGENCY
Washington, D. C.

SHEEP AND LAMB PRODUCTION PROGRAM

STATE AND COUNTY OFFICE INSTRUCTIONS

Section I. General

The following instructions are based on the Offer of the Commodity Credit Corporation (see the Federal Register dated August 10, 1945) to make sheep and lamb production payments.

Under supervision of the State committee, the county AAA committees shall be responsible for the administration of the program within their counties, the approval of applications, and the issuance of drafts. It is the responsibility of the county committee: (1) to see that all sellers and slaughterers are correctly informed regarding the provisions of the program; (2) to see that payments made are proper and in accordance with instructions (in any case of doubt as to the validity of evidence presented, the county committee must withhold payment until satisfied that the evidence is valid and meets all requirements of the regulations); and (3) to see that payments are made promptly. The signature of a member of the county committee on the application and on the draft shall constitute the committee's approval of the acceptable evidence of sales submitted and the issuance of the draft.

State and county committees are responsible for the safekeeping and proper handling of all sheep and lamb production payment drafts. Since drafts are serially numbered, it is necessary for each county committee to (1) sign a State office receipt in triplicate for the supply of drafts received, and (2) account for every draft as being either issued, voided, or unused.

As of the close of business December 31 a physical inventory of unissued sheep and lamb drafts on hand in the county office shall be made. A report thereof shall be submitted to the State office showing by inclusive serial numbers the serial number of each draft on hand. This report shall be mailed to the State office by January 15.

In counties or States having a small number of eligible sellers and slaughterers, the State committee, with approval of the AAA Regional Director, may determine that payment should be made through the State office on the basis of applications which have been checked and approved by county committees. In such cases, the application shall be prepared in quadruplicate and signed by a member of the county committee in the space provided. The original and two copies shall be forwarded to the State office. A copy of the application shall be filed in the county office. The drafts shall be prepared in the State office in accordance with the county office instructions except as follows: (1) the State office clerk who computes the payment on the application shall sign the draft above the word "Clerk," (2) the date shall be entered, (3) a member of the State committee or a responsible employee authorized by the State committee shall review the draft and application and, if the payment is proper, shall sign in the space provided, and (4) the words "County Committeeman" shall be deleted and the proper title of the issuing officer inserted. The original of the draft and a copy of the application shall be mailed to the payee. The county office copy of the draft shall be filed in the State office with the copy of the application. The copy of the draft marked "Commodity Credit Corporation Regional Copy" shall be forwarded to the appropriate Regional Office of CCC with the original of the application.

Section II. County Office Instructions and Rates of Payment

The county committee shall receive evidence and applications for payment under the Sheep and Lamb Production Program in accordance with these instructions. Payment shall be made only (1) to eligible sellers of eligible sheep and lambs sold for slaughter and (2) to eligible slaughterers for eligible sheep and lambs slaughtered or sold to another legally authorized slaughterer for slaughter during the period beginning August 5, 1945, and ending June 30, 1946, according to the rates of payment listed below.

A. Rates of Payment

The complete schedule of payments per hundred pounds liveweight for sheep and lambs from August 5, 1945 through June 30, 1946, will be as follows:

	Lambs			Lambs	
	65 to 90 lbs.	Lambs Over 90 lbs.		65 to 90 lbs.	Lambs Over 90 lbs.
Aug. 1945	\$ 1.50	\$ 2.15	Feb. 1946	\$ 2.50	\$ 3.15
Sept. 1945	1.50	2.15	Mar. 1946	2.50	3.15
Oct. 1945	1.50	2.15	Apr. 1946	2.50	3.15
Nov. 1945	1.50	2.15	May 1946	2.00	2.65
Dec. 1945	2.00	2.65	June 1946	2.00	2.65
Jan. 1946	2.00	2.65			

Payments for all other lambs and all sheep from August 5, 1945, through June 30, 1946, will be \$1.00 per hundred pounds liveweight.

B. Definitions

1. Legally authorized slaughterer means:

- a. Any person who is operating as a slaughterer under a Federal Meat Inspection pursuant to the Act of May 4, 1907 (34 Stat. 1260), as amended, 21 U.S.C. § 71, and as extended by the Act of June 10, 1942 (56 Stat. 351), or
- b. Any person who is registered as a slaughterer and has been assigned a quota base pursuant to the regulations of the Office of Price Administration, or
- c. Any person who is certified pursuant to the provisions of WFO 139 as amended.

2. Person means: any individual, partnership, association, business trust, corporation, or any organized groups of persons, either incorporated or not, and includes the States and any subdivisions thereof.

3. Sheep means: any ovine animal that has or had one or more pairs of permanent teeth in full wear, including but not limited to yearlings, ewes, aged wethers, bucks and rams.

4. Lamb means: any young ovine animal whose first pair of permanent teeth have not developed to the extent of being in full wear.

5. Eligible sheep and lambs means: sheep or lambs, except imported sheep or lambs in the United States less than 60 days, which are:

- a. Sold by any person other than a legally authorized slaughterer to a legally authorized slaughterer for slaughter and delivered for slaughter during the period beginning August 5, 1945, and ending June 30, 1946, or
- b. Raised by a legally authorized slaughterer and slaughtered during the period beginning August 5, 1945, and ending June 30, 1946, by such legally authorized slaughterer, or
- c. Purchased for feeding by a legally authorized slaughterer, fed not less than 30 days, and then slaughtered during the period beginning August 5, 1945, and ending June 30, 1946, by such legally authorized slaughterer, or
- d. Sold by any legally authorized slaughterer to another legally authorized slaughterer for slaughter after being raised or purchased for feeding and held by the first legally authorized slaughterer for not less than 30 days, and delivered for slaughter during the period beginning August 5, 1945, and ending June 30, 1946.

6. Eligible seller means: any person other than a legally authorized slaughterer who, having owned and sold eligible sheep or lambs to a legally authorized slaughterer for slaughter, delivers such sheep or lambs during the period August 5, 1945, through June 30, 1946, to such legally authorized slaughterer for slaughter.

7. Eligible slaughterer means:

- a. Any legally authorized slaughterer who, having raised sheep or lambs, slaughters such sheep or lambs during the period beginning August 5, 1945, and ending June 30, 1946, or
- b. Any legally authorized slaughterer who, having purchased sheep or lambs for feeding and fed such sheep or lambs for not less than 30 days, slaughters such sheep or lambs during the period beginning August 5, 1945, and ending June 30, 1946, or
- c. Any legally authorized slaughterer who, after owning (having title and possession) sheep or lambs for not less than 30 days, sells such sheep or lambs to any other legally authorized slaughterer for slaughter and delivers such sheep or lambs for slaughter during the period beginning August 5, 1945, and ending June 30, 1946.

8. Liveweight means: the actual weight of the live animal or lot of animals or the weight on which settlement is made, whichever is lower.

C. Time and Place for Filing Application

1. For sales made from August 5, 1945, to October 31, 1945, inclusive, the application must be filed on or before December 31, 1945. For sales made on and after November 1, 1945, until the Offer is withdrawn, the application must be filed within 60 days from the date of sale, provided that not more than one application by an applicant may be filed in each calendar month.

An application shall be considered to have been filed on the date on which evidence of sales is presented even though additional time is required to secure supporting documents.

2. Applications shall be filed in the office of the county AAA committee for the county in which the farm, ranch, or feed lot is considered to be located for the purpose of the Agricultural Conservation Program. The farm, ranch, or feed lot will be the one where the sheep or lambs were located during the last 30 days before sale as eligible sheep or lambs, except for sheep or lambs purchased from owners in different counties and owned by the eligible seller for less than 30 days prior to sale to a legally authorized slaughterer the following will be considered to meet the requirement with respect to place of filing application:

- a. For sheep or lambs purchased at a livestock auction market from growers, feeders, or other persons, the application may be filed in the office of the county AAA committee for the county in which the auction market is located.
- b. For sheep or lambs shipped to a terminal market by a cooperative livestock shipping association, the application may be filed in the office of the county AAA committee nearest the local office of such shipping association.
- c. For sheep or lambs purchased by a country dealer the application may be filed in the office of the county AAA committee for the county in which the largest number of the sheep or lambs were located for the last 30 days before purchase.
- d. An order buyer, yard trader, or other person registered with the Packers and Stockyards Division in compliance with the Packers and Stockyards Act of 1921 operating on stockyards posted pursuant to that Act, may file his evidence and receive payment in the county AAA office for the county in which his headquarters are located. He shall also furnish evidence to the county committee substantiating that he is a licensed operator.

D. Types of Evidence and Methods of Presenting Evidence

1. Types of Evidence

The following types of evidence will be required by the county committee as a basis for the preparation of applications for payment. However, in any case, the county committee may require such additional evidence as in its opinion is necessary to establish eligibility of any lamb or sheep for a sheep-lamb production program payment.

a. Sales by an Eligible Seller

Evidence shall consist of invoices, scale tickets, account of sales, statements, or receipts signed by the buyer or his agent showing date of sale, name, address, and license number of the legally authorized slaughterer, number of head sold, total liveweight, whether they were sheep or lambs, and a signed statement from the legally authorized slaughterer or his agent stating that the lambs or sheep were purchased for slaughter. If the sheep were not raised by the seller, an additional statement showing the date of purchase, and the name and address of the person from whom purchased must be included.

In the event lambs or sheep are purchased by an agent of a legally authorized slaughterer, the following form will be acceptable as a statement that the lambs or sheep were purchased for slaughter and should be attached to the account of sales:

(Place and Date)

To _____
(Seller or Seller's Agent)

The _____ weighing _____ purchased from the
number sheep-lambs weight
above seller at _____ per hundred pounds liveweight were
price
purchased for slaughter.

Legally Authorized Slaughterer and License Number

By _____, Agent

A similar form may also be used by a slaughterer as evidence that the sheep and lambs were purchased for feeding by the authorized slaughterer. In such event the words on the form "purchased for slaughter" shall be deleted and the words "purchased for feeding" shall be substituted, and the form countersigned by the seller or his agent. In any event the seller's name and address must be given.

Where the slaughterer buys direct from the seller, a statement on the account of sales or other type of evidence which gives the information required, that the lambs or sheep were purchased for slaughter and signed by the slaughterer, giving name, address, and license number of the slaughterer will be acceptable.

With respect only to lambs or sheep sold by a livestock marketing agency registered with the Packers and Stockyards Administration in compliance with the Packers and Stockyards Act of 1921 operating upon a United States Department of Agriculture regularly posted livestock public market stockyards, a regular account of sales which has stamped or printed on it a certification substantially in the following form will be acceptable in lieu of the statement required from a legally authorized slaughterer:

"We have on file a certificate from the buyer or buyers of the sheep or lambs covered by this account of sales, certifying that the said sheep or lambs were purchased for slaughter (except as otherwise shown). This certificate will be retained by us for not less than two years and will be made available for inspection to you or to representatives of the Commodity Credit Corporation on request.

Signed _____
Commission Firm

By _____ "

b. Slaughter or Sale by an Eligible Slaughterer

Evidence shall consist of invoices, scale tickets, account of purchases, slaughter sheets, receipts, certifications, or bills of lading which will show date of slaughter, and if purchased, date of purchase, name and address of seller from whom purchased, number of head on which application is being made, total liveweight at the time of slaughter, whether sheep or lambs, and a certification countersigned by the seller or his agent showing that the sheep or lambs were purchased for feeding. (If the sheep or lambs with respect to which a payment is applied for were raised by the slaughterer, a statement to that effect signed by the applicant shall be furnished.)

If the eligible animals have not been slaughtered by the applicant but have been sold for slaughter to another legally authorized slaughterer, the type of evidence with respect to such sale shall be in accordance with that required from eligible sellers.

2. Methods of Handling Evidence

When an application for payment has been approved the supporting evidence shall be rubber stamped or otherwise conspicuously marked on its face to prevent its use as a basis for another payment. The evidence shall be attached to the county office copy of the related completed application unless the applicant requests the return of such evidence, in which event the applicant in accordance with the provisions of the application for payment agrees to retain such evidence for not less than two years and furnish same to Commodity Credit Corporation for audit or inspection purposes upon its request.

In the event that the evidence contains information on sales of sheep or lambs sold for feeding, the county committee should keep a record of such sales showing the name of seller, number of such sheep or lambs, date of sale, and name of purchaser. This may be needed as a cross reference in the event of a later application for payment on sheep or lambs which had been purchased for feeding.

3. Economy in expense and in the use of gasoline, tires, and time and convenience of applicants shall be the guide in determining the method in which applications are filed and payments are made. Insofar as practicable, the mails shall be used in handling applications and issuing sight drafts.

E. Preparation and Distribution of Sheep-Lamb Form 2, "Seller Application for Payment," and Sheep-Lamb Form 2A, "Slaughterer Application for Payment"

The application for payment shall be prepared in triplicate by a representative of the county committee. The county representative should be capable of determining the acceptability of the evidence submitted by applicants. Where application for payment is being made on sheep and lambs sold during different price payment periods, a separate application and a separate draft shall be completed for each price payment period.

1. Sheep-Lamb Form 2, "Seller Application for Payment"

a. Entries in Heading

Enter the State and county code number. The draft serial number will be entered at the time the draft is prepared.

b. Entries in Section I, Sales of Sheep and Lambs by the Applicant

Enter by lots in the appropriate columns for all eligible sheep and lambs sold as shown on the evidence submitted; date of the sale, name and address of the legally authorized slaughterer to whom sold for slaughter, the number sold, the total liveweight, the average weight per head, whether sheep or lambs (HL for lambs over 90 pounds, ML for lambs 65 to 90 pounds, S for all other lambs and all sheep), the appropriate rate per hundred pounds, and compute the payment for each lot. A continuation sheet may be prepared and securely attached to the application if more lines are needed.

- (1) Enter in item 1 the sum of the entries in column (H).
- (2) Enter in item 2 the description and amount of any debts owed by the applicant as shown on the debt register, except that if the amount of the debt exceeds the amount in item 1, enter only the amount shown in item 1. If there is no indebtedness, enter a dash in item 2. The debt register shall be adjusted by the amount set off.
- (3) Enter in item 3 the amount, if any, by which the entry in item 1 exceeds the entry in item 2. If the entry in item 2 is a dash, make no entry in item 3.
- (4) The person who examines and approves the evidence and computes the payment shall determine that the average weight and description are correct and that the rates agree with the rates of payment for the month.

c. Entries in Section II

Signatures shall be in accordance with ACP instructions. Signatures of the applicant must be witnessed.

Enter the current date and print or type the name and address of the applicant. After the entries in Section I of the application have been completed, the applicant should be given an opportunity to review the data listed and read his certification in Section II of the application. He shall then sign the application in the space provided.

d. Entries in Section III

The clerk who prepared the application shall verify all entries in Section I and if he is satisfied that the application is correct, shall sign in the space provided.

The application and the evidence submitted in support thereof shall be reviewed by a member of the county committee who shall determine the eligibility of the sheep and lambs for the payment and the eligibility of the applicant to receive the payment. The county committeeman may require such additional evidence or cause such inquiry to be made as will satisfy him that the application is proper.

When the committeeman is satisfied that the application is correct in all respects he shall sign the application in the space provided.

2. Sheep-Lamb Form 2A, "Slaughterer Application for Payment"

This form is to be used by an eligible slaughterer for eligible sheep and lambs slaughtered or sold for slaughter.

a. Entries in Heading

Enter the State and County code number. The draft serial number will be entered at the time the draft is prepared.

b. Entries in Section I, Sheep and Lambs Slaughtered or Sold by Applicant

Enter in the appropriate columns for all eligible animals, as shown on the evidence submitted, the date of slaughter or sale, the date of purchase if the animals were not raised by the slaughterer, the number of head slaughtered or sold, the liveweight at the time of slaughter or sale, the average liveweight, and whether sheep or lambs (HL for lambs over 90 pounds, ML for lambs 65 to 90 pounds, and S for all other lambs and all sheep), the appropriate rate per hundred pounds, and compute the payment for each lot. The remaining portion of the form shall be completed as outlined for Sheep-Lamb Form 2.

3. Distribution of Sheep-Lamb Form 2 and 2A

The original of the completed application, after the draft therefor has been issued, will be forwarded to the appropriate Regional Office of CCC daily with the "Commodity Credit Corporation Regional Copy" of the issued draft.

The county office copy of the application, with the original evidence applicable thereto securely attached, if such evidence is retained in the county office, shall be filed in a separate folder alphabetically for each payee.

A copy of the executed application shall be furnished the applicant.

F. Preparation and Distribution of CCC Sheep-Lamb Form 3, "Sight Draft for Sheep and Lamb Production Payment."

1. Preparation

A draft shall be prepared, in triplicate, for each application on which a gross payment is computed. If the entire payment is being set off, no draft will be prepared for the applicant. Drafts shall be issued in serial number order.

Enter the State and county code numbers and the current date in the spaces provided. Enter, in the box provided, the number of the Federal Reserve District in which the county is located. (See listing of Federal Reserve Districts and areas served by each District attached to DP 1 - February 1945.) The other entries on the draft will be obtained from the corresponding entries on the application: the amount of payment to the applicant will be the entry in item 3 (or in item 1 if the entry in item 2 is a dash) of Section I of the application and shall be written out in the same manner as a bank check is prepared; the name of the payee shall be entered to conform with the signature of the applicant as entered in Section II of the application; the entries for the total number of head and weight, by class, will be taken from the applicable entries in Section I of the application; the entry for "set-offs," if any, will be the entry in item 2 of Section I of the application. If no set-offs were made, enter a dash in the space for set-offs. No erasures or corrections shall be made in any entry on the face of the draft. All drafts must be executed with typewriter, ink, or indelible pencil, and all signatures must be in ink or indelible pencil. Any draft on which an error has been made in any entry or which is mutilated shall be marked "Void."

The person who computed the payment shall verify all entries on the draft and sign the draft on the line above the word "Clerk." A member of the county committee shall review the application and the draft and if the payment is proper, shall countersign the draft in the space provided. The draft serial number shall be entered in the space provided at the top of the application.

2. Distribution of Copies of CCC Sheep-Lamb Form 3

The original of the draft shall be delivered to the payee whose attention should be called to the fact that the draft must be cashed within 90 days. At the close of each day the copies marked "Commodity Credit Corporation Regional Copy" of all drafts issued during the day and the original of all related applications for payment, together with the original and Commodity Credit Corporation Regional Copy of all voided or mutilated drafts, if any, shall be forwarded to the appropriate Regional Office of CCC. (See list of CCC Regional Offices and States served by each such office attached hereto as Schedule A.)

The copy marked "County Office Copy" of all drafts issued, voided, or mutilated shall be filed in draft serial number order in the county office.

3. Set-offs

A separate draft shall be issued for each set-off made, at the time the application and the draft, if any, to the payee, is prepared. Such draft shall be prepared in accordance with the instructions for preparing drafts to applicants. The payee for each such draft shall be "Treasurer of the United States," c/o (name of Agency and address). No entries for the number of head and weight will be made on drafts issued for set-offs except that in those cases where the entire amount of the payment due on an application is being set off, these entries will be made from the data appearing on the application. If more than one draft is used for set-offs on the same application, and a draft is not being issued to the applicant, the data shall be entered on only one of such drafts.

The serial numbers of the drafts shall be entered on the applications to which the set-offs relate in the space in item 2 of Section II of the applications affected.

The originals of the drafts covering set-offs shall be forwarded to the State office daily with a detailed listing of the individual debts covered by the drafts. The copies of the drafts used for set-offs shall be distributed as provided in Paragraph F-2 above.

4. Cancellation of Returned Drafts

In any case where it is discovered that an issued draft is incorrect, such draft should be returned to the county office for cancellation and the issuance of a correct draft. When a draft which has been issued is returned for any reason to be canceled, the words, "Canceled - Not Negotiable," shall be conspicuously written across the face of such draft. A notation as to the action taken and the reason therefor shall be entered on the county office copy of the related application.

The originals of all canceled drafts shall be forwarded to the Regional Office of CCC daily with an appropriate letter of explanation which shall include the serial number of the substitute draft issued, if any.

5. Issuance of Substitute Drafts

When a draft which has been issued is returned for cancellation and a substitute is to be issued, or a draft has been canceled because of inability to deliver it to the payee and a claim for the amount thereof is received, or where a draft is to be issued to correct an underpayment on a draft which is outstanding, or where a draft is authorized by the State committee to be issued to replace a draft lost, stolen, or destroyed, such draft shall be prepared in the same manner as outlined in Paragraph F-1 above, except (a) if the original draft is canceled, the correct entries for the number of head and weight, by class, and "Set-off" on the substitute draft shall be obtained from the application, (b) if the draft is being issued to correct an underpayment and the original draft is not to be canceled and the entries for the number of head and weight, by class, and "Set-off," were correct on the original draft, no entries for these items shall be made on the draft, (c) if the draft is being issued to correct an underpayment and the original draft is not to be canceled and the entries for the number of head and weight, by class, and "Set-off" were incorrect on the original draft, such entries on the substitute draft should be only for the additional amounts, (d) if the substitute draft is being issued to replace a draft reported lost, stolen, or destroyed, the correct entries for the number of head and weight, by class, and "Set-off" on the substitute draft shall be obtained from the application.

The "Commodity Credit Corporation Regional Copy" of a substitute draft forwarded to the Regional Office of CCC must be accompanied by a letter of explanation setting forth the circumstances which required the issuance of the draft. The letter shall indicate the serial number, date, amount, and payee of the original draft. If the draft replaces an issued draft which has been canceled, the original of the canceled draft shall be transmitted with the letter to Commodity Credit Corporation.

The serial number of the substitute draft shall be entered on the county office copy of the application, with an explanation as to the reason for the issuance of the draft.

6. Transmittal Letters to Regional Office of CCC (CCC Sheep-Lamb Form 4)

Original applications, copies of drafts and related information concerning canceled, voided, or mutilated drafts shall be accompanied by serially numbered letters of transmittal (CCC Sheep-Lamb Form 4) reflecting beginning and ending draft serial numbers and the net amount of payment, if applicable. This form shall be numbered consecutively beginning with the number 1 and separate forms shall be prepared for:

- (a) Drafts issued, including voided or mutilated drafts.
- (b) Drafts canceled.

Statistical data on the last line of the form will be entered by the Regional CCC Office and shall not be entered by the county committee. The form will be executed in triplicate. The original and first copy will be forwarded to the Regional Office of CCC. The second copy will be filed with the copies of the drafts in the county office.

Cases Involving Overpayments

At the time any overpayment of \$1.00 or more is discovered, the county committee shall:

1. Immediately notify the State office, in duplicate, of the overpayment and take the necessary steps to have the debt entered on the county office debt register. The State office will promptly forward one copy of the notification to the Regional Office of CCC.
2. Immediately prepare a corrected application, the original of which shall be forwarded to the appropriate Regional Office of CCC with a complete explanation of the facts, except that in cases where the evidence is correct and has been properly entered on the application and the overpayment is due to an error in computation it will not be necessary to prepare a corrected application. In such cases the correction may be made on the county office copy of the application by drawing a line through the incorrect entry, making the correct entry at the right, and initialing the correction by a member of the county committee or other person authorized to compute applications for payment.

3. Immediately notify by letter the person who has received the overpayment, requesting that the amount overpaid be refunded. The letter shall contain an explanation of the facts, including the original computations, the corrected computations, the draft serial number, and a request that the refund be made by check or postal money order made payable to the "Treasurer of the United States, Washington, D. C." to be forwarded to the county office. If a refund is not received, the person overpaid shall be contacted in person.
4. When the refund is obtained, the county committee shall send the check or money order to the State office with a letter, in duplicate, containing an identification of the refund and a full statement of the facts, including citation to the serial number of the draft to which the refund relates. The Debt Register shall be adjusted by the amount refunded.

H. Cases Involving Underpayments

1. All underpayments of less than \$1.00 shall be disregarded unless the applicant requests the additional amount.
2. If, for any reason, an underpayment is made in an amount of \$1.00 or more, or an applicant requests such underpayments of less than \$1.00 and the original draft is not canceled, a supplemental draft for the difference between the amount of the original draft and the correct amount shall be issued in accordance with instructions outlined in Paragraph F-5 of this Section II.
 - a. If the underpayment was caused by failure to include all eligible sales on the original application, the applicant shall submit another signed application listing the additional data before another draft is issued. Do not mark the draft "Supplemental" or enter the letter "X" before the serial number of the application or draft. Treat such an application and draft as a separate, individual claim.
 - b. If the original application included all sales and the underpayment was due to a clerical error, no additional application will be required. Corrections shall be made on the county office copy of the original application in such a manner as to leave the original computations legible. The draft number of the draft used to make the additional payment shall be entered on the county office copy of the original application. Do not mark the draft "Supplemental" or enter the letter "X" before the serial number of the draft. A statement explaining the adjustment shall be entered on the county office copy.
3. Drafts issued to correct underpayments shall be prepared in accordance with the instructions contained in Paragraph F-5 of this Section II. When the Commodity Credit Corporation Regional copy of the draft is forwarded, it shall be accompanied by a statement explaining the circumstances which required the issuance of the draft including cross reference to the original draft and the application.

I. Lost, Stolen, or Destroyed Sheep and Lamb Production Payment Drafts

1. Definitions

- a. A lost draft is any draft for which the county office has receipted and which subsequently has been lost either before or after issuance.
 - b. A stolen draft is a draft for which the county office has receipted and which is stolen from either the county office or the person to whom issued.
 - c. A destroyed draft is one for which the county office has receipted and which is destroyed either before or after issuance.
2. If an unexecuted or executed draft is lost, stolen, or destroyed, the county office shall immediately notify the State office by letter. This notification shall state the draft number and if executed, the amount, date of issuance, name of payee, and shall indicate whether the draft was reported lost, stolen, or destroyed.

The payee of a draft which is reported lost, stolen, or destroyed, should be advised that if he should recover possession of the original draft, he should report such fact to the county committee before cashing the draft. The payee should also be advised that a substitute draft cannot be issued to replace a draft reported lost, stolen, or destroyed until authorization has been given by the State office.

3. If the payee recovers possession of any original draft after notification has been sent to the State office of its loss, theft, or destruction, the county committee shall immediately advise the State office accordingly.
4. If advice is received from the State office that disbursement has been made on a draft reported as lost, stolen, or destroyed, the county committee shall investigate the case in accordance with instructions from the State office. A full report of the investigation shall be sent to the State office, in triplicate. Further action will be taken only upon receipt of advice from the State office.

5. If the State office informs the county office that the draft was not paid, the county committee will be authorized by the State office to issue a new sight draft to the original payee in the proper amount upon the execution of a statement by the payee, which shall read as follows:

"Sight Draft for Sheep and Lamb Production Payment No. _____, payable to the undersigned in the amount of \$ _____, and issued under date of _____, has been (lost, stolen, destroyed).

The undersigned payee hereby certifies that the draft has not been negotiated by him or by another with his consent, and that he has not received, or will not receive, in any way, any or all of the funds disbursed, or which may be disbursed under such draft.

The undersigned hereby applies for the issuance of a draft to him in the amount of the original draft, and in consideration of the issuance of such draft hereby agrees to protect Commodity Credit Corporation from any liability, not to exceed the original amount of the original draft.

The undersigned payee further agrees that should he recover possession of the original draft he will not negotiate the draft but will return it to the office of the county agricultural conservation committee.

Date _____ (Signature of Payee)
Date _____ Approved: _____
(County Committeeman)

6. If an original draft is returned to the county office after notification has been sent to the State office of its loss, theft, or destruction, and a substitute has been or is to be issued, in accordance with Paragraph I, above, the county committee shall cancel the original draft in accordance with the instructions in Paragraph F-4 of this Section II, and shall indicate thereon that it has been replaced by another draft giving the serial number thereof. The county office copy of the original draft shall be similarly canceled and shall be retained.

The original of the canceled draft shall be transmitted to the appropriate Regional Office of CCC with a statement of the facts surrounding the case. The State office shall be advised of the action taken.

7. If an issued draft is cashed by the payee and is later lost, stolen, or destroyed in the channels of negotiation, the county committee may issue a new draft to the person entitled to the proceeds of the draft in the following manner:
- a. The county committee shall write the State office to determine whether the draft has been paid.
 - b. If the draft has been paid, the county committee will receive from the State office instructions of the action to be taken.
 - c. If the draft has not been paid, and after authorization from the State office, the county committee shall accept a statement from the person entitled to the proceeds of the draft setting forth the facts and containing the last three paragraphs of the statement contained in Paragraph I-5 above.
 - d. Upon accepting the above statement, the county committee shall issue a draft in the name of the original payee in accordance with instructions in Paragraph F-5 of this Section II and deliver it to the person entitled to the proceeds thereof. The person to whom the draft is delivered shall obtain the original payee's endorsement on the new draft and send the draft through for payment.

J. Undelivered and Unnegotiated Sheep and Lamb Drafts

1. Where a draft is mailed to the payee but is returned to the county office for a better address, or where a draft cannot be delivered because the payee has moved:
 - a. A reasonable effort to secure the correct address of the payee shall be made and, if successful, the draft shall be mailed to the new address.
 - b. If a new address cannot be obtained, the draft shall be retained in the county office for 10 days after the date of the draft, awaiting a request therefor from the payee.
 - c. If the draft is unclaimed after the 10-day period, the original and county office copy of the draft shall be canceled, in accordance with the instructions outlined in Paragraph F-4 of this Section II.

A notation shall be made on the original and the county office copy of the draft and on the county office copy of the application to the effect that the draft was canceled because the payee could not be located.

The original of the canceled draft shall be transmitted to the appropriate Regional Office of CCC with a complete explanation of the facts.

- d. If, after the draft has been canceled, the producer requests delivery of the draft, a new draft shall be issued in accordance with the instructions outlined in Paragraph F-5 of this Section II.

The serial number of the substitute draft shall be entered on the county office copy of the application and on the county office copy of the canceled draft, with the following notation, "Draft No. _____ issued to replace Draft No. _____."

2. Where a draft is issued but is not negotiated within 90 days, such draft will not be honored by the banks (because of the 90-day negotiability limitation stated thereon) and must be returned to the county office for the issuance of a substitute draft. In such cases upon surrender of the original draft and cancellation thereof in accordance with the instructions outlined in Paragraph F-4 of this Section II, a substitute draft shall be issued to the payee in accordance with the instructions outlined in Paragraph F-5 of this Section II.

The serial number of the substitute draft shall be entered on the county office copy of the application and on the county office copy of the canceled draft, with this notation, "Draft No. _____ issued to replace Draft No. _____."

K. Death, Disappearance, or Incompetency of Eligible Sellers or Eligible Slaughterers

1. Claim by representative.

If an eligible seller or eligible slaughterer dies, disappears or is declared incompetent prior to filing an application, or after filing an application but before cashing the draft, the person eligible in accordance with the order of precedence in such cases set forth in ACP-122, as amended, is entitled:

- a. To file an application if payment had not been issued, or
- b. To surrender the original draft to the county office and file a written request for the reissuance of a draft to him. The person shall sign the statement showing the capacity in which he is claiming, e.g., John Doe, Administrator of the Estate of Richard Doe, Deceased; May Doe, widow of John Doe, etc.

2. Issuance of substitute draft.

- a. Upon receipt of the original draft and written request, the original and the county office copy of the draft shall be canceled in accordance with Paragraph F-4 of this Section II.
- b. The county committee shall satisfy itself that the person who files the request for the substitute draft is entitled thereto under the order of precedence contained in ACP-122, as amended. Thereupon, a new draft shall be issued to such person in his representative capacity, i.e., as administrator, executor, widow, son, etc., in the same manner as with similar cases under the ACP program.
- c. A notation shall be made on the original and county office copy of the draft and on the county office copy of the application of the serial number of the substitute draft and a statement should be entered to the effect that the draft was canceled because of the death, disappearance, or incompetency of the payee. The original of the canceled draft shall be forwarded to the appropriate Regional Office of CCC with a statement of the facts.

3. Where a draft had not been issued before the death of the applicant and the application is filed by a representative of the estate, the county committee should satisfy itself that such person is entitled to the payment pursuant to ACP-122, as amended, and shall issue a draft to such representative in the regular manner.

L. Maintenance of Files and Checking Against Previous Payments

A separate folder for each payee under the sheep and lamb production program shall be maintained in alphabetical order. Each folder shall contain the county office copy of the application and the individual evidence used as a basis for the application, if such evidence was not returned to the applicant. Before any draft is issued, the applicant's folder shall be examined to determine that there is no duplication of evidence and that payment therefor has not been previously made.

The county office copy of all sheep and lamb production payment drafts which have been issued, canceled or voided, shall be filed in draft serial number order.

M. Appeals

Appeals shall be handled in accordance with the procedure established for handling appeals under the Agricultural Conservation Program.

Section III. State Office Instructions

A. State Office Supervision of County Administration of the Sheep and Lamb Production Program.

It shall be the responsibility of the State committee to make a current check of the work being done in county offices to determine that instructions are being followed, that the work is being done promptly and in an efficient manner, and that the keeping of records is on a uniform basis in all counties.

The importance of making correct payments and of maintaining complete and accurate records cannot be overemphasized. The responsibility of proper and efficient administration of the program rests with the State and county committees. The State committee must, therefore, arrange to have regular spot-checks conducted in each county where payments are made. This spot-check shall be made by farmer fieldmen or other qualified employees who are thoroughly familiar with all phases of the Sheep and Lamb Production Program. Whenever possible, the person making the spot-check should be in the county office at a time when payments are being computed in order that the work of each person handling the payments can be carefully reviewed. A sufficient number of cases shall be spot-checked to determine that each clerk is performing his work efficiently and accurately, and that particular care is being used in determining the eligibility of sales evidence submitted and the correctness of the payments approved.

The spot-check of the work in each county shall include, but shall not be limited to, the following determinations:

1. That satisfactory arrangements are made for safekeeping of drafts and that all drafts shipped to the county are properly accounted for.
2. That each clerk has a thorough knowledge of the program and is performing his work efficiently and accurately.
3. That adequate sales evidence is being submitted and that the evidence is being rubber stamped or otherwise conspicuously marked on its face to prevent duplicate payments.
4. That the applications have been completely and properly executed, and that the payments have been correctly computed.
5. That all sheep and lamb production program overpayments of \$1.00 or more are properly reported to the State committee, that such debts have been placed on the Debt Register, and that full efforts are being made to collect these debts.
6. That proper set-offs are being made against each applicant for debts shown on the Debt Register from subsequent payments under all programs and that necessary adjustments have been made on the Register.
7. That the procedure with respect to issued drafts which are subsequently lost, stolen, or destroyed, or in connection with payees who cannot be located, and deceased payees is being followed.
8. That all county office records are current, complete, and orderly.
9. That county office copies of drafts issued, canceled, and voided are filed in proper order and that the Commodity Credit Corporation Regional copy of drafts and the originals of executed applications are forwarded promptly.

In order that a complete audit may be made in a satisfactory manner at any time, the records and files in all counties shall be maintained in a uniform manner. The State office shall take the necessary steps to accomplish this.

The person making the spot-check shall keep a current record of each case examined by him, listing its serial number with an adequate statement regarding any errors found, explaining fully the nature of the error, the action taken to correct it, and the steps taken to prevent the making of similar errors.

As soon as the spot-check in a county has been completed, a signed report in duplicate shall be sent to the State committee. The State committee shall review these reports, take such action as is necessary thereon and file them for inspection by representatives of the AAA Regional Director or for transmittal when requested to Commodity Credit Corporation.

B. Handling Drafts, Checks and Money Orders Drawn Payable to Treasurer of U. S.

1. Drafts covering AAA indebtedness shall be deposited to the proper appropriations by means of Standard Form 1044. Sufficient information shall be shown on Standard Form 1044 to permit the proper adjustment of the Debt Registers in the State office and the General Accounting Preaudit Office.

2. Drafts covering set-offs for indebtedness to each Government agency other than AAA shall be sent to the agency at the address indicated, if any, with a letter of explanation (or Form FCI-15 for crop insurance debts) clearly identifying each individual set-off covered by the draft so that the agency may properly credit the accounts of the debtors involved.
3. Where set-offs are made for amounts representing indebtedness incurred under an AAA commodity contract (1933-36 Wheat, 1934-35 Corn-Hog, 1935-35 Cotton, 1933-35 Tobacco, 1934-35 Sugar) or under an East Central or Northeast conservation or parity payment made through Washington, an extra copy of Standard Form 1044 or Standard Form 1046 will be prepared. Type on such extra copy "Forward to Claims and Liquidation Section, AAA, Washington 25, D. C." and forward to the Claims and Liquidation Section after the certificates of deposit number and the date of deposit have been entered thereon from the accomplished copy returned from the disbursing office.
4. Money orders and checks representing refunds for Sheep and Lamb Production Program overpayments only shall be sent, with a copy of the letter explaining the debt received from the county, to the appropriate Regional Office of Commodity Credit Corporation.

C. Handling Lost, Stolen, or Destroyed Sheep and Lamb Production Payment Drafts.

1. It will not be necessary to place stop orders against the payment of drafts issued under the Program which are reported lost, stolen, or destroyed. CCC will, however, place stop orders in unusual cases when requested to do so by the State committee.
2. The Regional Office of CCC shall be notified of each draft reported lost, stolen, or destroyed. The notice shall be in substantially the following form:

"Sheep and Lamb Production Payment Draft No. _____, dated _____, payable to _____, in the amount of \$ _____, has been reported by the _____ County agricultural conservation committee as (lost, stolen, destroyed). The draft bears the State and county code (whichever is applicable)

_____.

Please determine whether the draft has been paid. If the draft has been or is subsequently paid, please furnish this office a photostat copy of the draft, including endorsement thereon.

No further action will be taken until the photostat is received or until you advise that as of a date not earlier than (100 days from date of the draft) the draft has not been paid. If the latter advice is received after the 100 day period we will authorize the issuance of a substitute draft to the payee."

3. If the Regional Office of CCC advises that the draft has been paid, a photostat copy of the draft will be furnished the State office by the Regional Office of CCC and shall be forwarded to the county office for such investigation as is required to determine the facts. A complete report of the investigation, in triplicate, shall be returned to the State office with the photostat. The report shall contain several specimens of the payee's signature.
4. If the report of investigation clearly shows that the payee or anyone on his behalf did not at any time have possession of the draft and that the payee or anyone on his behalf did not receive any of the proceeds of the draft, the State office may authorize the county committee to issue a new draft to the payee.

If the report shows that the payee or anyone on his behalf at any time did have possession of the draft, a new draft shall not be authorized until recovery has been made. If the report shows that the payee or anyone on his behalf received any of the proceeds of the draft, a new draft shall not be authorized.

If the investigation shows that there has been fraudulent misuse of the draft, a complete report, in duplicate, including the photostat and all related correspondence, shall be forwarded to the Regional Director of AAA. The Regional Director will advise the State office as to further steps to be taken, including efforts necessary to recover the amount of the draft.

When a case involving a lost, stolen, or destroyed draft has been closed, the Regional Office of CCC shall be so advised.

5. The county committee shall be authorized to issue a substitute draft to the payee, in accordance with the instructions contained in paragraph F-5 of Section II, upon receipt by the State office of notice from the Regional Office of CCC that the draft has not been paid.
6. If in any case a draft, reported as lost, stolen, or destroyed, is paid after a substitute draft has been issued, a photostat copy of the original draft will be furnished and a complete investigation shall be made by the State office or through the county committee. A complete report, in duplicate, of the facts developed in the investigation, including the photostat, all related correspondence, and specimen signatures of the payee, shall be forwarded to the Regional Director of AAA. The Director shall advise the State office of any further action to be taken in such cases.

7. In any case where the county office reports that a draft previously reported as lost, stolen, or destroyed, has been recovered by the payee, the Regional Office of CCC shall be advised immediately relative to the recovery of the draft.

D. Checking of Paid Sheep and Lamb Production Payment Drafts by CCC.

The Commodity Credit Corporation Regional copy of Sheep-Lamb Form 3 will be used by CCC to verify the individual paid drafts which will be forwarded to them by the Federal Reserve Banks. If a discrepancy is found by the Regional Office of CCC between the draft as presented for payment and the entries shown on the copy, the Regional Office will immediately notify the State office. In such cases the State office shall make an investigation through the county committee and if there is evidence of fraudulent misuse of the draft, the case shall be handled in accordance with Section IV of this procedure. CCC shall be advised of the facts disclosed and the disposition of these cases.

E. Accounting for Sheep and Lamb Production Payment Drafts.

1. The State office shall keep a serial number record of the total number of sheep and lamb production payment drafts which it receives and the number transmitted to each county office. An inventory report as of the close of business December 31 shall be prepared in duplicate, showing: (a) the total number of drafts on hand at the end of the previous year in the State and county offices, (b) the number received by the State office during the year, (c) the number destroyed by the State office during the year without issuance to county offices, and (d) the number on hand in the State and county offices at the end of the year.

The original of this report shall be submitted to the Regional AAA Director by January 31 and a copy shall be forwarded to the appropriate Regional Office of CCC.

2. Drafts which have been damaged in shipment or which for some other reason are unusable, may be destroyed. If two drafts having duplicate serial numbers are received, one of the drafts shall be destroyed.

The destruction of all drafts destroyed in the State office must be witnessed. A record of the serial number and reason for destruction of all drafts destroyed shall be signed by the witness and kept in the State office.

If an entire block of drafts is received that are not charged to the State, the AAA Regional Director shall be notified immediately and the drafts held in the State office for further instructions as to their disposition.

3. One copy of the State office receipt of drafts issued to the county committees shall be forwarded to the Regional Office of CCC promptly, whenever a supply of drafts is issued to any county committee.

F. Reporting Sheep and Lamb Production Program Overpayments.

Section II of this procedure provides that county committees shall furnish the State office duplicate advice of all overpayments of \$1.00 or more, one copy of which will be forwarded promptly to the Regional Office of CCC. As of the end of each quarter, beginning with the quarter ending December 31, 1945, the State office shall prepare a report, in triplicate, giving the following information with respect to overpayments of \$1.00 or more:

1. The quarter covered by the report;
2. The number and amount of outstanding overpayments at beginning of the quarter;
3. The number and amount of overpayments made during the quarter;
4. The number and amount of recoveries during the quarter
 - a. by means of set-offs from subsequent ACP or other payments, and
 - b. by means of personal checks, money orders, etc.
5. The number and amount of outstanding overpayments at the end of the quarter.

Thus, as to the amount involved, the amount in item 2 plus 3 minus 4 should equal item 5. Such is not the case with respect to the number of overpayments, since the number reported in item 4, a and b will include partial liquidations of debts included in item 5.

The original and one copy of the report shall be transmitted to the AAA Regional Director by the tenth of the month following the close of the quarter. If no overpayments or recoveries have been reported as made during a quarter, a report to this effect shall be submitted by each office by the tenth of the month following the close of the quarter.

G. Discrepancies Discovered by Regional Office of CCC.

In any case where discrepancies are discovered by the Regional Office of CCC in connection with applications or drafts, the State office will be notified accordingly and will take the necessary steps to correct such discrepancies.

Sheep and Lamb
Form 2

Form Approved
Budget Bureau No. 10-R 1384

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
SHEEP AND LAMB PRODUCTION PROGRAM
Seller Application for Payment

(State and County Code)

(Draft Serial No.)

SECTION I. Sales of Sheep and Lambs by Applicant

Date of Sale (A)	Name and Address of Slaughterer (B)	Number Head (C)	Total Live Weight (D)	Ave. Live Weight (E)	Sheep Lambs (F)	Rate (G)	Amount (H)

- Total amount of payment \$
- Less set-offs for debts due U. S. \$
- Net Payment to applicant (1 minus 2) \$

SECTION II. Certification by Applicant

I, the undersigned, hereby apply for a sheep and lamb production payment pursuant to the Offer of Commodity Credit Corporation to make sheep and lamb production payments, on the basis of the data listed herein and the evidence submitted in support thereof; with respect to the data, I certify that (a) I owned the animals on the date of sale, (b) I am an "Eligible Seller," as defined in the Offer, (c) the animals sold were "Eligible Sheep and Lambs," as defined in the Offer, (d) the data listed above for the purpose of obtaining payment are true, correct, and complete, (e) I have complied with all the requirements of the Offer prerequisite to payments, (f) a sheep and lamb production payment has not been made on any of the animals for which payment is claimed herein, (g) I have complied with all meat and livestock regulations issued by the Office of Price Administration, and (h) if the evidence submitted in support of this application is returned to me, I agree to retain all such evidence for a period of 2 years and make such evidence available to the Commodity Credit Corporation or its agent upon request, for audit or inspection purposes.

(Date)

Type or print (Name of Applicant)

In the presence of:

(Address)

(Witness)

(Signature of Applicant)

SECTION III.

We certify that the data entered above agree with the evidence submitted in support of this application; that the amount stated has been properly computed and is now due and owing to the applicant pursuant to the Offer of Commodity Credit Corporation to make Sheep and Lamb Production Payments.

(County Committeeman)

(Clerk)

Sheep and Lamb
Form 2A

Form Approved
Budget Bureau No. 10-R 1383

UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation
SHEEP AND LAMB PRODUCTION PROGRAM
Slaughterer Application for Payment

(State and County Code)

(Draft Serial No.)

SECTION I. Sheep and Lambs Slaughtered or Sold by Applicant

Date of Slaughter or Sale	Date of Purchase	Number Head	Live Weight at Time of Slaughter or Sale	Average Wt.	Sheep	Lambs	Rate	Amount
(A)	(B)	(C)	Total Wt. (D)	(E)	(F)	(G)	(H)	(I)

1. Total amount of payment	\$
2. Less set-offs for debts due U. S.	\$
3. Net Payment to applicant (1 minus 2)	\$

SECTION II. Certification by Applicant

I, the undersigned, hereby apply for a sheep and lamb production payment pursuant to the Offer of Commodity Credit Corporation to make sheep and lamb production payments, on the basis of the data listed herein and the evidence submitted in support thereof; with respect to the data, I certify that (a) I owned the animals for the 30-day period immediately prior to the date of slaughter or sale, (b) I am an "Eligible Slaughterer," as defined in the Offer, (c) the animals were "Eligible Sheep and Lambs," as defined in the Offer, (d) the data listed above for the purpose of obtaining payment are true, correct, and complete, (e) I have complied with all the requirements of the Offer prerequisite to payment, (f) a sheep and lamb production payment has not been made on any of the animals for which payment is claimed herein, (g) I have complied with all meat and livestock regulations issued by the Office of Price Administration, and (h) if the evidence submitted in support of this application is returned to me, I agree to retain all such evidence for a period of 2 years and make such evidence available to the Commodity Credit Corporation or its agent upon request, for audit or inspection purposes.

(Date)

Type or print (Name of Applicant)

In the presence of:

(Address)

(Witness)

(Signature of Applicant)

SECTION III.

We certify that the data entered above agree with the evidence submitted in support of this application; that the amount stated has been properly computed and is now due and owing to the applicant pursuant to the Offer of Commodity Credit Corporation to make Sheep and Lamb Production Payments.

(County Committeeman)

(Clerk)

SCHEDULE A

LISTING OF STATES TO BE SERVED BY EACH REGIONAL OFFICE OF COMMODITY CREDIT CORPORATION UNDER THE SHEEP AND LAMB PRODUCTION PAYMENT PROGRAM

States Served

Maine, New Hampshire, Vermont, Massachusetts,
Rhode Island, Connecticut, New York,
New Jersey, Pennsylvania, Delaware, Ohio

Wm. F. Oliver, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
150 Broadway
New York, New York

Oklahoma, Alabama, Mississippi, Arkansas,
Louisiana, Kentucky

F. P. Biggs, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
9th Floor Masonic Temple Building
New Orleans, Louisiana

Illinois, Indiana, Michigan

G. D. Bradley, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
208 South La Salle Street
Chicago, Illinois

Nebraska, Minnesota, North Dakota,
South Dakota, Wisconsin

J. A. Cole, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
328 McKnight Building
Minneapolis, Minnesota

Idaho, Nevada, Oregon, Washington, Montana

E. C. Corey, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
225 Southwest Broadway
Portland, Oregon

Missouri, Kansas, Iowa

W. B. Lathrop, Regional Director
Office of Basic Commodities
Commodity Credit Corporation
1004 Baltimore Avenue
Kansas City, Missouri

Utah, Colorado, Arizona, Wyoming, California

E. Herbert Spoor, Regional Director
Office of Supply
Commodity Credit Corporation
821 Market Street
San Francisco, California

New Mexico, Texas

Latham White, Regional Director
Office of Supply
Commodity Credit Corporation
425 Wilson Building
Dallas, Texas

Tennessee, North Carolina, South Carolina,
Georgia, Florida, Maryland, Virginia,
West Virginia

Colonel James H. Palmer, Regional Director
Office of Supply
Commodity Credit Corporation
Western Union Building
Atlanta, Georgia

